HOUSE STATE AFFAIRS COMMITTEE

9:30 A.M. Room EW40

Wednesday, January 09, 2013

SUBJECT	DESCRIPTION	PRESENTER
	Organizational Meeting	
Rulemaking	Presentation	Dennis Stevenson,
		Dept. of Administration

COMMITTEE MEMBERS			COMMITTEE SECRETARY
Chairman Loertscher	Rep Palmer	Rep Packer	Kasey Perkins
Vice Chairman Batt	Rep Sims	Rep Smith	Room: EW46
Rep Anderson(1)	Rep Barbieri	Rep Gannon	Phone: 332-1145
Rep Andrus	Rep Holtzclaw	Rep Woodings	email: hstaf@house.idaho.gov
Rep Luker	Rep McMillan		
Rep Crane	Rep Monks		

HOUSE STATE AFFAIRS COMMITTEE

DATE: Wednesday, January 09, 2013

TIME: 9:30 A.M. **PLACE:** Room EW40

MEMBERS: Chairman Loertscher, Vice Chairman Batt, Representatives Anderson(1), Andrus,

Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, McMillan, Monks, Packer, Smith,

Gannon, Woodings

ABSENT/ EXCUSED:

None.

GUESTS:

Dennis Stevenson, Department of Administration, Administrative Rules Office; Jim Clark, lobbyist; Monica Hopkins, ACLU of Idaho; Leroy Fiscus, ACLU of Idaho; and Russell Westerberg, Truth-justice.

Chairman Loertscher called the meeting to order at 9:30 a.m.

Chairman Loertscher welcomed the committee back for the 2013 session. He also encouraged everyone to get their legislation in right away.

Vice Chairman Batt was recognized for the purpose of assigning subcommittees for review of the Administrative Rules.

Subcommittees for the rules review will be divided into three groups. The subcommittees are as follows:

Department of Administration Rules, and the **Office of the Governor Military Division-Bureau of Homeland Security** Rules:

Chair Rep. Barbieri, Rep. Andrus, Rep. Holtzclaw, Rep. Smith.

Idaho State Lottery Rules:

Chair Rep. Luker, Rep. McMillan, Rep. Packer, Rep. Woodings.

Idaho Public Utilities Commission Rules, Office of the Treasurer Rules, and the State Athletic Commission Rules:

Chair Rep. Sims, Rep. Batt, Rep. Gannon, Rep. Monks.

Vice Chairman Batt also advised the committee to work with the secretary in regards to scheduling meetings and presenters.

The deadline for the subcommittees to submit their recommendations to the committee is January 28, 2013.

Dennis Stevenson, from the Department of Administration presented an overview of the rule making process to the committee. He explained the definition of a rule and the different types of rules. He also noted that legislators are able to approve or reject any rules in whole or in part. He also reminded the committee that if no action is taken on rules, they are accepted.

In response to questions, **Mr. Stevenson** explained that the committee can accept the entire rule or reject certain sections or subsections, but they need to be specific in their recommendations.

ADJOURN	adjourned at 9:57 a.m.	to come before the committee, the med	eting
Representative Chair	Loertscher	Kasey Perkins Secretary	

HOUSE STATE AFFAIRS COMMITTEE BARBIERI SUBCOMMITTEE

Rules-Subcommittee #1 10:00 A.M. Room EW40 Monday, January 14, 2013

DOCKET NO.	DESCRIPTION	PRESENTER
	Rules of State Department of Administration	Teresa Luna
38-0406-1202	Rules governing use of the exterior of State Property in the Capitol Mall and other state facilities	Dept. of Administration
38-0407-1202	Rules governing use of the interior of state property in the Capitol Mall	
38-0408-1202	Rules governing use of Idaho State Capitol Exterior	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Barbieri Rep.Andrus Rep.Holtzclaw

Rep.Smith

COMMITTEE SECRETARY

Kasey Perkins Room: EW46

Phone: 332-1145

email: hstaf@house.idaho.gov

HOUSE STATE AFFAIRS COMMITTEE BARBIERI SUBCOMMITTEE

Rules-Subcommittee #1

DATE: Monday, January 14, 2013

TIME: 10:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Barbieri, Representatives Andrus, Holtzclaw, Smith

ABSENT/ None.

EXCUSED:

GUESTS: Monica Hopkins, ACLU; BG John Goodole, JFHQ Idaho Guard; Col. Brad

Ricky, JFHQ Idaho/BHS; Steve Steiner, BHS Public Safety; Robert Hugi, BHS Public Safety; Barbara Pinkerton, self; Gene Bray, self; Anne Hausrath, self; Ann McClanahan, self; Leroy Fiscus, ACLU; Teresa Luna, Dept. of Admin; Keith Reynolds, Dept. of Admin; Jennifer Pike, Dept. of Admin; Raeveen Welton, Westerberg & Associates; Roger Brown, Governor Otter's Office; Kathy Sims, self; Parrish Miller, Idaho Freedom Foundation; Ed Lawley, Dept. of Admin; Dennis

Stevenson, Dept. of Admin.; Brad Hunt, OARC.

Chairman Barbieri called the meeting to order at 10:01 a.m.

DOCKET NO. 15-0603-1201: **Steve Steiner**, Branch Chief, Bureau of Homeland Security Public Safety, presented **Docket No. 15-0603-1201**. He stated that their agency has never had a set of rules for their funding. All of their fees are currently passed on to the agencies. They started researching fees two years ago and found that they need a new fee schedule.

In answer to committee questions, **Mr. Steiner** stated that the current funds come from the agencies. They are billed monthly, quarterly, or annually depending on the agency. They also receive federal funding for the radio billing systems. The fee increase only includes time and materials and not salaries.

Mr. Steiner stated that the Bureau employs 23 full-time employees and 2 contract positions with 2 technicians per district. After reorganization, several years ago, and 5 positions were cut. Everything they do is nonprofit or government work. They have tried to make the work more efficient but it is labor intensive and public safety is important.

In response to questions, **Mr. Steiner** stated it is difficult to justify fees to the agencies. They have different fees for each agency. He stated the budgets project an increase in time and materials. In response to further questions, Mr. Steiner stated using federal and local partners in contracting work has been successful, but the Bureau needs the hourly increase. Without these rules, they could not support all of the work.

Mr. Steiner also stated the agencies have a standard package but most of the jobs the Bureau does are custom. He said the last fee increase was 23 years ago and did not include the IT packet, the Bureau has upgraded the technology and it is not reflected on the billing.

In response to questions, **Mr. Steiner** stated the Bureau has always had face-to-face contact with all of its constituents regarding fees and have also sent letters to each. They have not had any negative feedback regarding the increase.

Gene Bray, representing himself, said that he has worked for 31 years as an engineer. He said he was astounded that the Bureau could do the work they have done for \$45 an hour because it is such a low fee. He stated that the fact they have not had an increase in 23 years is outstanding. Mr. Bray supports the increase in fees.

MOTION:

Rep. Smith made a motion to recommend approval of **Docket No. 15-0603-1201**. **Motion carried by voice vote.**

DOCKET NO. 38-0406-1202:

Teresa Luna, Director, Department of Administration, presented **Docket No. 38-0406-1202**, which governs the use of the exterior of state property in the Capitol Mall and other state facilities with the exception of the Capitol Building. These rules are very similar to what Boise City uses. The rules proposed were posted for 30 days last year in September and then changed. The Idaho State Historical Society has asked to be included in the rules as well.

DOCKET NO. 38-0407-1202:

Teresa Luna, Director, Department of Administration, presented **Docket No. 38-0407-1202**, which governs the use of the interior of state property in the Capitol Mall and other state facilities with the exception of the Capitol Building. This rule is nearly identical to the previous chapter. The rules also cover the state offices in Lewiston and Idaho Falls. The rules only refer to the common areas, the rest is state agency space and is not public.

DOCKET NO. 38-0408-1202:

Teresa Luna, Director, Department of Administration, presented **Docket No. 38-0408-1202** which governs the use of the Idaho State Capitol exterior. She reviewed the reservation times for the Jefferson Street steps.

In response to questions, **Ms. Luna** confirmed no open flames are allowed on the Capitol grounds. She also explained that no public hearings were requested in regards to these rules.

Monica Hopkins, ACLU of Idaho, said she is opposed to the new rules because they are extreme and have caused confusion. She said the First Amendment has always meant the regulation of things like graphic displays on hats, buttons, etc. The new rules have unrealistic time constraints and make it hard for working people to get together.

Ms. Hopkins also stated that there is a competing use, the State is using its authority to cut people out of the loop. She said this violates our First Amendment rights and there are rules currently in litigation. Ms. Hopkins wants an end to the rules, because they are erroneous and exceed government powers.

Barbara Pinkerton, representing herself, urged the Subcommittee to reject the rules. She said she would have liked a public hearing on the rules, and she agrees with the ACLU. She said the agency is trying to micromanage behavior, and the public would be confused on the language in the rules. The rules would disallow the public to meet, and urged the Subcommittee to reject all three new chapters.

In response to questions, **Ms. Luna** stated there is a 5-day waiting period for all permits, and there are lots of reasons why a no waiting period is not workable.

Gene Bray, representing himself, said he agrees with the ACLU. He believes candlelight vigils are good and having them disallowed shows the overly powers of the government. He said we have operated for 120 years without such rules.

In response to questions, **Ms. Luna**, stated "no open flames" has been a rule since 1992. Most people use battery operated candles or cell phones, etc. She said this rule has been enforced.

Council for two years. She said there was never a public hearing on these rules. She thought there should be a public hearing and that Idaho residents, as taxpayers, have the right to consult and direct the legislators.

MOTION:

Rep. Smith made a motion to send Docket Nos. 38-0406-1202, 38-0407-1202, and 38-0408-1202 to the full committee without recommendation for further discussion. Motion carried by voice vote.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 10:45 a.m.

Representative Barbieri

Kasey Perkins Secretary

Anne Hausrath, representing herself, said she has served on the Boise City

AMENDED AGENDA #3 HOUSE STATE AFFAIRS COMMITTEE 9:00 A.M.

Room EW40 Tuesday, January 15, 2013

SUBJECT	DESCRIPTION	PRESENTER
	Approval of minutes	Chairman Loertscher
	Brief discussion of Administrative Rules	Vice Chairman Batt

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS			COMMITTEE SECRETARY
Chairman Loertscher	Rep Palmer	Rep Packer	Kasey Perkins
Vice Chairman Batt	Rep Sims	Rep Smith	Room: EW46
Rep Anderson(1)	Rep Barbieri	Rep Gannon	Phone: 332-1145
Rep Andrus	Rep Holtzclaw	Rep Woodings	email: hstaf@house.idaho.gov
Rep Luker	Rep McMillan		
Rep Crane	Rep Monks		

HOUSE STATE AFFAIRS COMMITTEE

DATE:	Tuesday, January 15, 2013	
TIME:	9:00 A.M.	
PLACE:	Room EW40	
MEMBERS:	Chairman Loertscher, Vice Chairman Batt, Repr Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, Gannon, Woodings	
ABSENT/ EXCUSED:	Rep. Anderson(1)	
GUESTS:	None.	
	Chairman Loertscher called the meeting to ord	ler at 9:01 a.m.
MOTION:	ION: Rep. Woodings made a motion to approve the minutes of the January 9 meeting. Motion carried by voice vote.	
	Vice Chairman Batt thanked everyone on the Subcommittees who are reviewing the rules and announced that Rep. Luker's Subcommittee will be meeting right after the full committee meeting to schedule their first meeting. She also stated that Rep. Barbieri's Subcommittee has some concerns regarding the new Administrative Rules governing the exterior of the Capitol building and will be recommending that the full committee meet so the public can testify.	
ADJOURN:	There being no further business to come before the committee, the meeting was adjourned at 9:05 a.m.	
Representative Lo	pertscher	Kasey Perkins Secretary

HOUSE STATE AFFAIRS COMMITTEE 8:00 A.M.

Room EW40

Wednesday, January 16, 2013

SUBJECT	DESCRIPTION	PRESENTER
Presentation	Idaho post election information	Tim Hurtz Secretary of State
Presentation	Idaho State Liquor division functions, laws, regulations	Jeff Anderson Idaho State Liquor Division

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS			COMMITTEE SECRETARY
Chairman Loertscher	Rep Palmer	Rep Packer	Kasey Perkins
Vice Chairman Batt	Rep Sims	Rep Smith	Room: EW46
Rep Anderson(1)	Rep Barbieri	Rep Gannon	Phone: 332-1145
Rep Andrus	Rep Holtzclaw	Rep Woodings	email: hstaf@house.idaho.gov
Rep Luker	Rep McMillan		
Rep Crane	Rep Monks		

HOUSE STATE AFFAIRS COMMITTEE

DATE:	Wednesday, January 16, 2013		
TIME:	8:00 A.M.		
PLACE:	Room EW40		
MEMBERS:	Chairman Loertscher, Vice Chairman Batt, Representatives Anderson(1), Andrus, Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, McMillan, Monks, Packer, Smith, Gannon, Woodings		
ABSENT/ EXCUSED:	None.		
GUESTS:	Jeff Anderson, Idaho State Liquor Division.		
	Chairman Loertscher called the meeting to order at 8:00 a.m.		
	Ben Ysursa , Secretary of State, presented an overview of the voting process, voter turnouts, historical data, and the future for voting in Idaho.		
	In response to questions, Mr. Ysursa stated that internet voting will not be accepted very easily because of the threat of computer hacker issues.		
	Jeff Anderson , Director of Idaho Liquor Division, presented information on Idaho's current liquor laws. He stated Idaho is a controlled state and has less consumption than many other states that are open states. We explained that controlled states are at lower risk, have safer roads and lower crime rates. He stated that 2% of all the revenue goes to the drug and family courts in Idaho.		
	In response to questions, Mr. Anderson stated that Idaho State Police is involved in the issuance of liquor licenses.		
ADJOURN:	There being no further business to come before the committee, the meeting adjourned at 9:09 a.m.		
Representative Lo	ertscher Kasey Perkins		
Chair	Secretary		

HOUSE STATE AFFAIRS COMMITTEE SIMS SUBCOMMITTEE

Rules-Subcommittee #3 9:30 A.M. Room EW40 Wednesday, January 16, 2013

DOCKET NO.	DESCRIPTION	PRESENTER
31-4101-1201	Rules of the Idaho Public Utilities Commission	Paul Kjellander
		Idaho Public Utilities Commission
03-0101-1201	Rules of the State Athletic Commission	Roger Hales Bureau of Occupational Licenses

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Sims

Rep.Batt

Room: EW46

Rep.Gannon

Phone: 332-1145

Rep.Monks email: hstaf@house.idaho.gov

HOUSE STATE AFFAIRS COMMITTEE SIMS SUBCOMMITTEE

Rules-Subcommittee #3

DATE: Wednesday, January 16, 2013

TIME: 9:30 A.M. **PLACE:** Room EW40

MEMBERS: Chairman Sims, Representatives Batt, Gannon, Monks

ABSENT/ None.

EXCUSED:

GUESTS: Paul Kjellander, Idaho Public Utilities Commission; Mack Redford, Idaho Public

Utilities Commission; Don Howell, Attorney General, Public Utilities Commission; Joe Leckie, Idaho Public Utilities Commission; Brag Hunt, OARC; Raeleen Welton, Westerberg & Associates; Tana Cory, Bureau of Occupational Licenses; David

Hoffman, self; Lee Rice, self.

Chairman Sims called the meeting to order at 9:29 a.m.

DOCKET NO. 31-4101-1201:

Paul Kjellander, Director, Idaho Public Utilities Commission, presented **Docket No. 31-4101-1201**. He stated a lot has changed since 1988 and that there are 300,000-400,000 less land lines than before. He said broadband and new phone technology has caused a shift in customer relations.

Rep. Batt suggested the Subcommittee accept the rule, except the deletion of 502 (1)(a), they should keep that in the rule.

In response to questions, **Mr. Kjellander** discussed emergency service restoration and it's importance in regards to keeping customers satisfied. He also stated that land lines are still around because they are usually part of packaged deals.

Edward Lodge, Century Link, stated that customers are very important to their company and they do whatever is necessary to keep them.

In response to questions, **Mr. Lodge** stated there is competition throughout the state for a fair market.

MOTION:

Rep. Batt made a motion to recommend approval of **Docket No. 31-4101-1201** to the full committee with the exception of **Section 502.1 paragraph (a)**. **Motion carried by voice vote.**

DOCKET NO. 03-0101-1201:

Tana Cory, Director, Idaho Bureau of Occupational Licenses, presented a short overview of the Bureau and it's organization.

In response to questions, **Ms. Cory** stated that the investigative/inspections part of the Commission is very busy. She stated that the Attorney General's office could not handle the heavy workload so they now use in-house Administrative Law attorneys.

Roger Hales, private attorney, Bureau of Occupational Licenses, presented **Docket No. 03-0101-1201**. He stated the operations of the Athletic Commission are funded solely by the applicants, licensees, registration, and examination fees and receive no federal funds.

Mr. Hales stated that there is a financial independence issue with the Athletic Commission. He also stated that the Pending Rules were created because a fighter died in Idaho. He also stated the rules protect fighters by regulating fighting.

Mr. Hales stated there are two ways to raise money, raise license fees, and raise gate fees. He stated they have raised some funds and the Commission is stabilizing. He also stated that at the request of the fighters, they have eliminated the penalty for fighters who do not renew their license every year.

Mr. Hales reviewed the guidelines for children 12 years of age and younger, promoter's responsibility to report results, and fighter gloves.

In response to questions, **Mr. Hales** stated the Commission is in crisis and they have figured out a solution. He stated they have looked at reducing fees, but that would have reduced their revenue by \$10,000-15,000. He stated they have also looked at pay-per-view options but there are constitutional questions regarding this. He stated that the best action was to pass the increase on to the promoters. Mr. Hales quickly reviewed the Commission's financial situation for the Subcommittee.

Tom Katsilometes, Chairman, Athletic Commission, stated gate fees and sanction charges are included in other states as well.

David Hoffman, representing himself, stated he has been involved in MMA since 1967 and is troubled that martial artists are required to pay fees to the Commission. He believes the sport should be self-regulated like high school football. He also stated that amateur football players do not have to pay for licenses. He also stated if the fees are raised, the support of the sport will leave.

Lee Rice, representing himself, believes that MMA needs to be self-regulated in Idaho. He also believes the state shouldn't regulate the sport. He stated the fighters, promoters, and managers should work with the Athletic Commission directly without state involvement.

Chairman Sims said because of time constraints **Docket No. 03-0101-1201** will be held in the Subcommittee until the next meeting.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned 10:59 a.m.

Representative Sims	Kasey Perkins
Chair	Secretary

AMENDED AGENDA #1 HOUSE STATE AFFAIRS COMMITTEE 9:00 A.M.

Room EW40 Thursday, January 17, 2013

SUBJECT	DESCRIPTION	PRESENTER
RS21627	Fees associated with events licensees, and permit holders dedicated to the fund for the Bureau of Occupational Licenses.	Roger Hales Occupational Licenses Athletic Commission

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS			COMMITTEE SECRETARY
Chairman Loertscher	Rep Palmer	Rep Packer	Kasey Perkins
Vice Chairman Batt	Rep Sims	Rep Smith	Room: EW46
Rep Anderson(1)	Rep Barbieri	Rep Gannon	Phone: 332-1145
Rep Andrus	Rep Holtzclaw	Rep Woodings	email: hstaf@house.idaho.gov
Rep Luker	Rep McMillan		
Rep Crane	Rep Monks		

HOUSE STATE AFFAIRS COMMITTEE

DATE: Thursday, January 17, 2013 TIME: 9:00 A.M. PLACE: Room EW40 **MEMBERS:** Chairman Loertscher, Vice Chairman Batt, Representatives Anderson(1), Andrus, Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, McMillan, Monks, Packer, Smith, Gannon, Woodings ABSENT/ None. **EXCUSED:** GUESTS: David Hoffman, self; Roger Hales, Bureau of Occupational Licenses, Kelby Monks, self; Cherie Simpson, Bureau of Occupational Licenses; Tana Cory, Bureau of Occupational Licenses; Wayne Ross, Powerhouse MMA Fight Club; Tony Poinelli, Idaho Associations of Counties; Lee Rice, Powerhouse MMA Fight Club. Chairman Loertscher called the meeting to order at 9:00 a.m. MOTION: Rep. Packer made a motion to approve the minutes of the January 17, 2013 meeting. Motion carried by voice vote. RS 21627: Roger Hales, Attorney, Bureau of Occupational Licenses, presented RS 21627, legislation that allows the Bureau to recover costs and fees incurred in reviewing a challenge of a fighter and the investigation and prosecution of licensees and permit holders. In response to questions, Mr. Hales stated the APA governs the Bureau and makes sure the contestants have due process. He stated costs and fees must be approved by a judge. He also explained that currently, if a licensee is found not guilty, all licensees have to bear the burden. This legislation would make it the licensees' responsibility to pay for court costs and attorney fees. MOTION: Rep. Andrus made a motion to introduce RS 21627. There was discussion from the committee regarding adding a sunset clause to the legislation. SUBSTITUTE Rep. Crane made a substitute motion to return RS 21627 to the sponsor. Motion MOTION: carried by voice vote. RS 21698: Tony Poinelli, Idaho Association of Counties, presented RS 21698, legislation which clarifies the boundary descriptions of Gooding County, Jerome County, Lincoln County, and Minidoka County to reflect the changes in the session laws. The Committee discussed if the legislation was necessary when the boundaries are already set within the session laws. MOTION: Rep. Luker made a motion to return RS 21698 to the sponsor. Motion carried by voice vote. ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:59 a.m.

Kasey Perkins Representative Loertscher Chair Secretary

HOUSE STATE AFFAIRS COMMITTEE SIMS SUBCOMMITTEE

Subcommittee #3 11:30 A.M. Room EW40 Friday, January 18, 2013

DOCKET NO.	DESCRIPTION	PRESENTER
03-0101-1201	Rules of the State Athletic Commission	Roger Hales Bureau of Occupational Licenses
<u>54-0301-1201</u>	Rules regarding Idaho Unclaimed Property	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Sims

Rep.Batt

Room: EW46

Rep.Monks

Phone: 332-1145

Rep.Woodings email: hstaf@house.idaho.gov

Rep.Gannon

HOUSE STATE AFFAIRS COMMITTEE SIMS SUBCOMMITTEE

Subcommittee #3

DATE: Friday, January 18, 2013

TIME: 11:30 A.M. PLACE: Room EW40

MEMBERS: Chairman Sims, Representatives Batt, Monks, Woodings, Gannon

ABSENT/ None.

EXCUSED:

GUESTS: Leroy Fiscus, ACLU; Cherie Simpson, Bureau of Occupational Licenses; Anita

Hamann, DFM; David Hoffman, self; Lee Rice, Powerhouse MMA; Wayne Ross, Powerhouse MMA; Don Henslee, Powerhouse MMA; Doug Alvaro, Idaho MMA; Brad Hunt, Office of Administrative Rules; Dennis Stevenson, Office of

Administrative Rules.

Chairman Sims called the meeting to order at 11:31 a.m.

DOCKET NO: Docket No. 54-0301-1201 relates to updating the existing text to provide

54-0301-1201 clarification regarding unclaimed property in Idaho.

MOTION: Rep. Gannon made a motion to recommend approval of Docket No. 54-0301-1201

to the full committee. Motion carried by voice vote.

DOCKET NO. Roger Hales, Attorney, Bureau of Occupational Licenses, presented **Docket No.**

03-0101-1201: 03-0101-1201, which raises the fees for permits from \$200 to \$1,000.

Wayne Ross, representing himself, stated he believes a fee increase will decrease the amount of people that attend the events. He stated there are only twelve promoters on the active licensed list and two of them are out of state. He also stated most promoters are coming out in a deficit after an event. He also stated Idaho's fees are much higher than other states, at \$120 compared to \$40 in Utah. He also stated that the public, promoters, and Managers that have interest have not been advised of hearings regarding new rules or fees.

In response to questions, **Tom Katsilometes**, Commissioner, Athletic Commission, stated a man in Idaho died 7 years ago in a strong-man competition and as a result, the sport of Mixed Martial Arts (MMA) and boxing were put under the Athletic Commission.

David Hoffman, representing himself, stated most of the MMA fighters are amateurs and doesn't believe they should have to be licensed. He stated Idaho is a right to work state and therefore Managers of these licensees should not have to pay for a license. He also stated the new rules are improper and the licensees should be able to regulate themselves.

Lee Rice, representing Powerhouse MMA, stated he believes the sport of MMA should be self-regulated. He stated he believes if someone has the experience, they should be able to function without the State's control. He stated working with the Commission would not be a problem, but better without the fees.

In response to questions, **Dennis Stevenson**, Rules Administrator, Office of Administrative Rules, explained the rules process.

MOTION: Rep. Monks made a motion to recommend approval of Docket No. 03-0101-1201

with the exception of the changes in **Section 104**, in its entirety, and **Section**

107.07 and Section 107.08 to the full committee.

MOTION:

Rep. Monks made a motion to recommend rejection of Docket No. 03-0101-1201 in its entirety to the full committee. Motion carried by voice vote.

Rep. Monks made a motion to recommend the removal of Docket No. 03-0101-1201, Section 107.07 to the full committee. Motion carried by voice vote.

There being no further business to come before the Subcommittee, the meeting adjourned at 12:06 p.m.

Representative Sims
Chair

Kasey Perkins Secretary

Rep. Monks withdrew his motion.

HOUSE STATE AFFAIRS COMMITTEE LUKER SUBCOMMITTEE

Rules - Subcommittee #2 9:30 A.M. Room EW40 Monday, January 21, 2013

DOCKET NO.	DESCRIPTION	PRESENTER
	Rules of the Idaho State Lottery	Jeff Anderson, Executive Director
<u>52-0102-1201</u>	Rules regarding the allowable maximum expenses for the lottery to coincide with SB 1286	Idaho State Lottery
52-0103-1202	Rules governing online gaming audits and reviews	
<u>52-0103-1203</u>	Rules introducing Scratch style games	
<u>52-0103-1201</u>	Fee Rules regarding purchasing electronic lottery tickets	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Luker Kasey Perkins
Rep.Packer Room: EW46
Rep.Woodings Phone: 332-1145

Rep.McMillan email: hstaf@house.idaho.gov

HOUSE STATE AFFAIRS COMMITTEE LUKER SUBCOMMITTEE

Rules - Subcommittee #2

DATE: Monday, January 21, 2013

None.

TIME: 9:30 A.M.

PLACE: Room EW40

MEMBERS: Chairman Luker, Representatives Packer, Woodings, McMillan

ABSENT/

EXCUSED:

GUESTS: Tim Olson, Pinnacle Business Group; Becky Schroeder, Idaho Lottery; Jeff

Anderson, Idaho Lottery; Dennis Stevenson, Administrative Rules; Raeveen

Welton, Westerberg and Associates; Jeremy Pisca, Risch Pisca.

Chairman Luker called the meeting to order at 9:30 a.m.

DOCKET NO. Jeff Anderson, Director, Idaho State Lottery, presented Docket No. 52-0102-1201

52-0102-1201: regarding rising administrative costs related to charitable gaming and implement

changes made by the legislature last year to address that problem.

MOTION: Rep. Packer made a motion to recommend approval of Docket No. 52-0102-1201

to the full committee. Motion carried by voice vote.

DOCKET NO. Jeff Anderson, Director, Idaho State Lottery, presented Docket No. 52-0103-1202

52-0103-1202: regarding rules governing online gaming audits and reviews and eliminates

antiquated procedures which are covered by more up to date processes, and

clarifies procedures for handling joint claims on prizes.

In response to questions, Mr. Anderson, stated that currently vending machines

only accept cash and retail vendors accept all forms of payment.

MOTION: Rep. Woodings made a motion to recommend approval of **Docket No**.

52-0103-1202 to the full committee. **Motion carried by voice vote.**

DOCKET NO. Jeff Anderson, Director, Idaho State Lottery, presented Docket No. 52-0103-1203

52-0103-1203: regarding rules introducing scratch style games on touchscreen online terminals.

In response to questions, **Mr. Anderson**, stated there are two types of machines that sell games, the Red Ball machine and the Interlot for Megadraw games. He stated the new rule relieves pressure on retailers when the jackpots get very large. He also stated the multipurpose devices have a receipt system that print the secured date and the numbers on them. He also stated that the new type of game, the instant win type, presents the winner with a voucher that they can redeem at a retailer. He also indicated that the touchscreen terminals are already in use for two types of games and this amendment simply allows the addition of an additional

type of game.

MOTION: Rep. Packer made a motion to recommend approval of Docket No. 52-0103-1203

to the full committee. **Motion carried by voice vote.**

DOCKET NO. Jeff Anderson, Director, Idaho State Lottery, presented **Docket No. 52-0103-1201**,

52-0103-1201: a Fee Rule regarding purchasing electronic lottery tickets.

In response to questions, **Mr. Anderson**, stated it costs \$0.30 to \$0.70 per transaction, so they have chosen to use the \$0.50 fee just to cover the costs. He stated that if they need to reduce the fee or raise it they will do so. He also stated that these fees will only apply to the Big Red machine, payor only machines, and that retailer transactions will not apply.

MOTION: Rep. Woodings made a motion to recommend approval of **Docket No**.

52-0103-1201 to the full committee. **Motion failed by voice vote.**

There was discussion by the Subcommittee regarding concerns of encouraging

people to overextend themselves when playing games.

MOTION: Rep. McMillan made a motion to send Docket No. 52-0103-1201 to the full

committee without recommendation for further discussion. Motion carried by

voice vote.

ADJOURN: There being no further business to come before the Subcommittee, the meeting

adjourned at 10:01 a.m.

Representative Luker	Kasey Perkins
Chair	Secretary